

PROCEDURE FOR NOTIFYING, PROCESSING AND SOLVING BREACHES OF THE CODE OF CONDUCT

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1. PURPOSE

This document establishes and regulates the communication channels for reporting irregularities, claims or queries related to the compliance of the Code of Conduct's principles, the NH Group Internal Code of Conduct in the Securities Market, the Procedure for Conflicts of Interest and Related-Party Transactions, and/or any topic related to noncompliance with regulations (incl. EU regulations), internal control, Financial Statements and situations or events that might require the attention of the Senior Management, the Compliance Committee, the Audit and Control Committee or even of the Board of Directors of NH Hotel Group.

2. SCOPE

2.1. Subjective Scope

Any employee (direct or indirect), former employees, shareholders, clients, suppliers or any stakeholder has the right to submit complaints or claims, and raise issues in relation with the compliance of the Code of Conduct principles, and any other internal or external regulations mentioned in the previous section, through the channels specifically enabled for that purpose.

2.2. Objective Scope: the Complaint or Claim

Merely for guidance purposes (but not limited to these), below are some examples of what should be understood as situations or events that may be subject to a complaint or claim and require the attention of the Compliance Committee or other internal control bodies or supervisors defined in this procedure:

- Irregular favour of suppliers
- Use of inside information
- Abuse of power
- Psychological or physical harassment
- Discrimination of any type
- Misappropriation of assets
- Benefits for clients regarding market conditions
- Obtaining personal gain at the expense of the NH Hotel Group
- Bribes to third parties (public or private bodies), corruption, kickbacks and influence peddling
- Conflicts of interest
- Unreported Related-Party operations
- Donations to political parties
- Fraud schemes included corruption
- Manipulation or destruction of financial/accounting information
- Noncompliance with applicable laws and/or regulations in each country/area
- Noncompliance regarding stock market regulation
- Noncompliance with hygiene, safety and health regulations
- Noncompliance with internal policies, regulations and/or procedures
- Noncompliance with climate and environmental regulations
- Noncompliance with data protection regulations

Reporting channels shall not be used, under any circumstances, as a means of retaliation or for dealing with personal issues.

Personal issues arising from working atmosphere tensions or conflict between team members must be addressed with direct supervisor and local HR representative.

3. ETHICS REPORTING LINES

Complaints shall be submitted preferably through the dedicated platform (<https://report.whistleb.com/en/portal/nh-hotels>) to guarantee the discretion, confidentiality and anonymity of the whistle-blower. or by postal mail addressed to the SVP of Internal Audit of the NH Hotel Group, at the following address: Calle Santa Engracia 120, 28003 Madrid, Spain.

All claims submitted through any of the above channels are managed by the SVP of Internal Audit of the NH Hotel Group (Reports Manager), who will analyse the events or incidents reported together with the evidences (if any) that support the claim and decide on the admission of the complaint submitted (within 7 days upon the reception of the claim), always informing the whistle-blower of the decision adopted according to the provisions of this procedure (within 90 days since the initial reception of the complaint).

3.1. Principles of the Ethics Reporting Lines

The founding principles of the Ethics Reporting Lines are listed in the following:

- ✓ **Confidentiality & Anonymity:** The information and statements received through one of the available channels will be examined with the strictest confidentiality. In compliance with current EU Directive 2019/1937, complaints may be anonymous (when permitted by local legislation), .
- ✓ **Thoroughness:** The information received on potential noncompliance with the Code of Conduct principles, or any other internal or external regulation, shall be investigated in detail and completely, in order to determine the veracity of the declared situation.
- ✓ **Respect and Dignity:** People who report eventual breaches of the principles included in the Code of Conduct will be treated with utmost respect and dignity, respecting at all times the fundamental rights of those involved in the investigation case. At all times during the course of the investigation, the affected employees and/or third parties have the right to state the reasons and explanations that they deem necessary.
- ✓ **Rationale:** Any decision must be adopted in a reasonable, proportionate, appropriate manner and considering the circumstances and context of the facts.

4. BODIES AND INDIVIDUALS INVOLVED IN THE PROCESS

4.1. The Whistleblower

The whistleblower is defined as the subject with the right to access to the Ethics Reporting Lines for reporting potential breach of the Code of Conduct principles or any internal/external regulation as defined in the above section 2,.

In compliance with the EU regulation, the whistleblower can submit a claim anonymously if he/she wishes to do so. Notwithstanding the aforementioned, whistleblowers are guaranteed the strictest confidentiality of their identity throughout the entire investigation process and once it is completed.

Likewise, whistleblowers will be notified during the course of the process when:

- the claim is received and the investigation is initiated or not (within 7 days),
- the final decision is made internally (within 90 days).

4.2. The Denounced Party

The Denounced Party is defined as the subject against whom the whistleblower has filed the complaint or claim. Denounced party can either be an employee, direct or indirect collaborator or any stakeholders that have entered into a commercial, mercantile or labour relationship with the NH Hotel Group or its affiliates.

The Denounced Party shall be informed of the investigation and the reason for it before it is completed. The Denounced Party shall have the right to make the allegations they deem necessary for their defence and present any evidence that can help clarifying the situation.

Anonymity of the whistle blower shall be guaranteed, except when required by regulation (ie. legal process or prohibited by local legislation).

4.3. SVP of Internal Audit - Reports Manager

The SVP of Internal Audit has been appointed as the Complaint Manager by the Code of Conduct.

The following tasks fall under the responsibility of the SVP of Internal Audit:

- To manage the communication channels available to report eventual claims including the platform (<https://report.whistleb.com/en/portal/nh-hotels>)
- To receive complaints and claims
- To keep a record of the complaints and claims received and the status when processed
- To internally process the complaints and claims
- To appoint an Investigator or Investigation Team
- To supervise the ongoing investigation
- To schedule follow-up meetings (if necessary)
- To inform periodically the Compliance Committee of the outcome of the investigations

- To communicate the final decision to the whistle-blowers (within 90 days)
- To follow-up on the implementation of the agreed measures both related to the disciplinary system and to the corrective and preventive action plans
- To keep the Senior Management of the Group duly informed (when deemed necessary)
- To report periodically to the Audit and Control Committee

4.4. Compliance Committee

The Compliance Committee is made up of members of the Management Committee and presided over by the Chief Legal and Compliance Officer. It is responsible for overseeing compliance with the key areas of the Compliance System: the Internal Rules of Conduct, the Procedure for Conflicts of Interest, the Code of Conduct and the Criminal Risk Prevention Model, among others. The Compliance Committee oversees the activity carried out by the Compliance Office and has the authority to take disciplinary measures against employees in relation to matters falling within its scope of competence.

The Compliance Committee shall act in an independent and autonomous manner at all times and with utmost respect for the confidentiality of the complaints and claims received, of the affected parties and of the documentation generated. It is the responsibility of the Compliance Committee to oversee disciplinary measures and ensure that they are adequate and proportionate to the non-compliant issue.

The Compliance Committee prevents any type of retaliation or sanction for those who submitted complaints or claims in good faith following the established procedures. If it is confirmed that any whistle-blower in good faith has been the subject of any intimidating measure or retaliation, the authors or parties responsible for actions will be subject to investigation, and therefore the appropriate disciplinary or corrective measures must be taken immediately.

Likewise, the Compliance Committee shall take the appropriate measures in cases in which the whistle-blower has acted without due good faith or the employees that have intentionally retained relevant information or evidence during the course of the investigation.

The Compliance Committee, through the Internal Audit function, shall regularly report to the Audit and Control Committee the Ethics Reporting lines activity and the complaints and/or claims received as well as the actions taken.

5. INVESTIGATION PROCEDURE

Throughout the investigation process, strict confidentiality and secrecy of investigations will be guaranteed. For this purpose, all appropriate measures will be taken in order to safeguard this confidentiality. For this purpose, from the time that the SVP of Internal Audit has access to the complaint, a code name will be assigned to the Complainant that will be used during all phases of the investigation.

5.1. Receipt of the Complaint or Claim

Complaints will be received by the Internal Audit Management of NH Hotel Group, who will acknowledge the receipt within a maximum of 7 days.

include Complaint must meet the following criteria to be considered valid:

1. The complaint is made in good faith: The whistleblower must have a sincere belief that the information they are reporting is accurate and that it represents wrongdoing or misconduct.
2. The complaint involves a significant concern: The whistleblower's concern should be of a serious nature, such as a violation of the law, fraud, corruption, or a threat to public safety.
3. The complaint is supported by evidence: The whistleblower should have some evidence to support their complaint, such as documents, recordings, or witness statements.
4. The complaint is made in a timely manner: The whistleblower should make the complaint as soon as possible after becoming aware of the alleged wrongdoing, to prevent further harm or damage.

5.2. Appointment of the Investigator

The SVP of Internal Audit will determine the function in charge of the investigation based on the nature of the case and skills of resources available.

The Complainant may be offered the possibility of a face-to-face or telephone interview with the person appointed as the investigator, in order to confirm, extend or clarify allegations or facts regarding the complaint or claim raised. If the Complainant desires, they may also provide allegations and/or the evidence deemed appropriate in writing.

5.3. Result of the Investigation

The results of the investigations will be communicated periodically to the members of the Compliance Committee.

In the case that evidence or proof arises from the investigation that could point to a possible criminal liability of the Legal Entity, the Chief Legal & Compliance Officer will be informed.

5.4. Adoption of Appropriate Measures

Within 90 working days since the reception of the complaint the decision, the SVP of Internal Audit will communicate the resolution

- To the Complainant
- To the investigated or denounced party,
- To the person in charge of the applicable Department or Division (which will have the category of Chief Officer, SVP, VP or Director of the center according to each case)

To the extent possible, communication must be carried out simultaneously, or when this is not possible, in the shortest time possible.

When a disciplinary system is applicable, the hierarchical superior of the denounced party (Chief Officer, SVP, VP or Director of the center according to each case), always with the collaboration of the Human Resources Management, will adopt in the shortest time possible, the appropriate disciplinary measures.

The hierarchical superior of the Denounced Party or the HR representative will be responsible to report back to the SVP of Internal Audit within 7 working days that the decision has been executed.

When it gives rise to the implementation of corrective or preventive action plans, the Manager of the functional area where the control shall be implemented will assume responsibility for its implementation within the deadlines established internally. The Head of the Department shall inform the SVP of Internal Audit regarding progress in the implementation of the measures.

5.5. Filing and Custody of the Investigations

The Record of the investigation will be safeguarded by the Department of Internal Audit to ensure that unauthorized third parties do not have access to it.

Access to the information will be restricted to the Compliance Committee, legal authorities (at their request), SVP of Internal Audit and to the Investigator or Investigation Team.

The records shall be archived in accordance with GDPR regulation and, destroyed afterwards.

ANNEX I – Compliance Committee structure



APPROVAL OF THE PROCEDURE

Version	Corporate Area	Approved by	
V.1	Internal Audit	SVP Internal Audit	27.05.2015
V.2	Internal Audit	SVP Internal Audit	03.06.2016
V.3	Internal Audit	SVP Internal Audit	29.08.2016
V4	Internal Audit	Compliance Committee	20.06.2023

UPDATES

Version	Description	Author	Date
v.1	Creation	SVP Internal Audit	May 2015
v.2	Update of the Compliance Committee structure	SVP Internal Audit	June 2016
v.3	Compliance Committee structure, remark on the Compliance function performed by the SVP of Internal Audit (different from the auditing function)	SVP Internal Audit	August 2016
v.4	New EU Whistleblower Directive 2019/1937, Ley 2/2023, de 20 de febrero, reguladora de la protección de las personas que informen sobre infracciones normativas y de lucha contra la corrupción	SVP Internal Audit	June 2023